

Message Text

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ACTION EB-07

INFO OCT-01 AF-08 ISO-00 DODE-00 NRC-05 NSAE-00 USIA-06
 TRSE-00 ERDA-05 CIAE-00 COME-00 INR-07 /039 W
 067604 /65
P 201354Z DEC 76
FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC PRIORITY 6454
INFO AMCONGEN JOHANNESBURG

LIMITED OFFICIAL USE PRETORIA 5789

E.O. 11652: N/A
TAGS: ESTC, PINR, SF
SUBJECT: IMPORT OF SEMI-CONDUCTOR TEST EQUIPMENT ON
BEHALF OF SOUTH AFRICAN GOVERNMENT

REF: STATE 300546, 303162

1. SUMMARY: THE DEPARTMENT REQUESTED A PRE-LICENSING CHECK TO DETERMINE WHETHER INTEGRATED CIRCUIT TEST EQUIPMENT MIGHT BE DIVERTED TO A COMMUNIST DESTINATION OR BE INTENDED FOR MILITARY OR NUCLEAR-RELATED USE IN SOUTH AFRICA. BOTH THE BUYER AND AN OFFICIAL OF THE SOUTH AFRICAN DEPARTMENT OF INDUSTRIES HAVE REFUSED TO DISCLOSE DETAILS ON THE END-USE. END SUMMARY.

2. CONGEN JOHANNESBURG INTERVIEWED DECEMBER 17 FRANS KLEYN, MANAGING DIRECTOR CGS THERMODYNAMICS AND HERMAN H.W. JAGAU (GERMAN NATIONAL), PROJECT ENGINEER OF CGS. THEY WERE ACCOMPANIED TO CONGEN BY BILL GREENWOOD, MANAGING DIRECTOR, AFRONIX (PTY.), LTD., IMPORTER OF EQUIPMENT FOR CGS.

3. WTDR ON CGS REPORTED JOHANNESBURG 1821 DECEMBER 20, 1975, UPDATED JOHANNESBURG 1901 NOVEMBER 5, 1976, REMAIN SUBSTANTIALLY CURRENT. WTDR SUBMITTED JOHANNESBURG 2259
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DECEMBER 17, 1976, REPORTS FAVORABLY ON AFRONIX. IN SUM, JOHANNESBURG HAS NO ADVERSE DATA ON AFRONIX WITH RESPECT TO EXCON OR PRE-LICENSE CHECKS AND NO ADVERSE DATA ON CGS.

4. KLEYN SAID EQUIPMENT WOULD BE USED IN SA GOVERNMENT-SPONSORED FACILITY IN PRETORIA, ADDED HE WAS NOT PERMITTED TO GIVE FURTHER DETAILS, BUT REFERRED US TO A CONTACT IN

DEPARTMENT OF INDUSTRIES. CONGEN MADE CLEAR THAT FAILURE TO PROVIDE COMPLETE DETAILS ON END-USE AND END-USER WOULD JEOPARDIZE LICENSING.

5. KLEYN AND JAGAU SAID THEY ARE IMPORTING EQUIPMENT AND PARTS FOR SUBJECT PROJECT FROM ELEVEN US EXPORTERS, THAT THREE OF THESE BEING HANDLED BY AFRONIX.

6. URGENCY, ACCORDING TO IMPORTERS, APPEARS TO HANG ON FACT THAT MACRODATA NOW REQUESTING CONFIRMED IRREVOCABLE LETTER OF CREDIT FOR SHIPMENTS WHEREAS PREVIOUSLY SHIPMENTS WERE ON BASIS OF DRAFT OR SIGHT DRAFT.

7. EMBASSY OFFICER RAISED CASE WITH P.B. ROODT IN DIVISION DEALING WITH STOCKPILING OF STRATEGIC IMPORTED MATERIALS AND REQUIREMENTS IN MINISTRY OF INDUSTRIES. ROODT CONFIRMED THAT HIS OFFICE ACTED AS LIAISON BETWEEN OTHER GOVERNMENT AGENCIES AND PRIVATE COMPANIES BUT SAID ALL SUCH TRANSACTIONS WERE COMPLETELY CONFIDENTIAL. HE WAS UNPREPARED TO ACKNOWLEDGE THAT CGS ORDER WAS ON BEHALF OF S.A. GOVERNMENT AND WAS NOT RESPONSIVE TO EMBASSY'S SUGGESTIONS FOR DISCUSSING HOW SUFFICIENT INFORMATION MIGHT BE DIVULGED TO USG TO DETERMINE WHETHER TRANSACTION COULD BE APPROVED.

8. WE THOUGHT INITIALLY EQUIPMENT MIGHT BE DESTINED FOR PILOT-SCALE BIPOLAR INTEGRATED CIRCUIT PLANT RECENTLY COMMISSIONED BY SA COUNCIL FOR SCIENTIFIC AND INDUSTRIAL RESEARCH (CSIR) AT PRETORIA. HOWEVER, DEPUTY PRESIDENT OF LIMITED OFFICIAL USE
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CSIR ADVISES THIS PLANT IS EQUIPPED AND ALREADY IN OPERATION AND VOLUNTEERED TO OPEN IT TO EMBASSY OFFICERS. AIM OF FACILITY IS TO PROVIDE LOCAL SOURCE OF SPECIAL ICS NOT AVAILABLE AS STANDARD ITEMS FROM LARGE OVERSEAS MANUFACTURERS FOR GOVERNMENT DEPARTMENTS AND AGENCIES. ALSO OFFERS DESIGN AND PRODUCTION FOR SPECIAL REQUIREMENTS OF SA ELECTRONIC PRIVATE SECTOR. PLANT IS AT CSIR HEADQUARTERS, PRETORIA, AND CONTAINS TWO CLEAN ROOMS WITH EFFECTIVE FLOOR SPACE OF 280 SQUARE METERS.

9. OTHER POSSIBILITY MIGHT BE THAT EQUIPMENT IS BEING USED FOR TESTING RELIABILITY OF ICS PRIOR TO USE IN MILITARY EQUIPMENT. HOWEVER, STATEMENT BY CGS THAT THEY IMPORTING FROM ELEVEN US FIRMS SUGGESTS THAT END-USE IS ACTUAL PRODUCTION FACILITY NOT KNOWN TO US AND, IN VIEW OF SECRECY, PROBABLY CONNECTED TO SA MILITARY OR NUCLEAR PROGRAM. FOR EXAMPLE, SA AIR FORCE RECENTLY CLAIMED ITS STRIKE AIRCRAFT WOULD BE EQUIPPED WITH A NEW MISSILE DEVELOPED EXCLUSIVELY IN SA. MANUFACTURE COULD BE UNDER CSIR NATIONAL INSTITUTE FOR DEFENCE RESEARCH WHICH HAS MISSILE DEPT OR GOVERNMENT

CORPORATION ARMSCOR WHICH HAS SUBSIDIARIES REPORTEDLY
EMPLOYING 12,000.

10. EMBASSY COULD PURSUE MATTER FURTHER WITH SAG AND
POSSIBLY SECURE SUFFICIENT ASSURANCES THAT EQUIPMENT IS IN
FACT DESTINED FOR AN AGENCY OF SAG, AND THUS ENABLE US TO
VERIFY FORMALLY WILL NOT BE DIVERTED TO A COMMUNIST DESTINATION.
HOWEVER, SEEMS UNLIKELY WE COULD OBTAIN ENOUGH DETAILS ON
MANUFACTURING FACILITY TO SATISFY OURSELVES THAT EQUIPMENT
IS UNCONNECTED WITH SA MILITARY OR NUCLEAR PROGRAMS.

11. UNLESS INSTRUCTED TO CONTRARY, WE WILL TAKE NO FURTHER
ACTION VIS-A-VIS SAG. ONCE COMMERCE ADVISES LICENSE
APPLICANT THAT TRANSACTION CANNOT BE APPROVED BECAUSE
CONSIGNEE AND SAG UNWILLING TO FURNISH ANY INFORMATION ON
END-USE, ONUS WILL BE ON SAG TO LIFT ITS SCREEN OF CONFIDENTIALITY
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AND MAKE CASE FOR LEGITIMACY OF THIS EXPORT.
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Message Attributes

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Disposition Event:
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